

2020 Societal Reporting

extract from 2020 Universal registration document



**#Act
With
ENGIE**

3.6 Societal information

The responsible growth model developed by ENGIE is based on a structured dialogue adapted to all stakeholders of the Group's activities promoting co-construction for the creation of shared value and with a view to optimizing the business.

3.6.1 Dialogue with stakeholders and partnerships

ENGIE maintains an ongoing and proactive dialogue with all stakeholders around its industrial activities. Based on existing approaches, the Group supports its operating entities in deepening and structuring their practices, from the implementation of dialogue strategies to their operational deployment in the project teams.

The support is based on a Group methodology which is adapted to the strategic, technical and geographical specificities of the operational activities. It is based on international standards such as ISO 26000, AA1000, IFC (International Finance Corporation, World Bank) and the Equator Principles.

On the one hand, it consists of raising awareness and training of employees in the structuring of dialogue with stakeholders in connection with the Group's training entity, ENGIE University. On the other hand, the methodology consists of technical support for the implementation of dialogue action plans adapted to the challenges and expectations of the territories.

The goal is to optimize performance and increase value creation by deepening the ownership of the Group's activities by its beneficiaries.

The Group achieved its 2020 target of covering 100% of its industrial activities by means of an appropriate dialogue and consultation mechanism which aims to strengthen the sustainability of its activities.

2020 was devoted to setting up various spaces for dialogue: a Stakeholders Committee in charge of challenging the Group's strategy, and an access space made up of members of civil society, companies and local authorities, in charge of supporting sensitive projects.

This culture of listening and dialogue is extended through societal and environmental partnerships with, in particular, France Nature Environnement, Emmaüs and the ONE (Ocean Nature and Environment) Foundation.

At the international level, ENGIE is a member of the United Nations Global Compact in the Global Compact Advanced category.

This culture of listening and dialogue was implemented when, in France, in 2017, ENGIE started building a new propane supply station in the city of Ajaccio (Corsica).

Prior to the launch of the construction site, the Group endeavored to meet with local environmental associations as well as local residents such as the hospital and residents living near the site. In addition to the information meetings set up by the project to inform local residents about the progress of activities, the CSR manager is in constant contact with local residents to discuss any questions they may have.

In addition, the project will offset the environmental impact of its 2 ha industrial site on a 20 ha natural site for 30 years. The project has delegated its management to the Conservatoire des espaces naturels de la Corse (Corsican Natural Spaces Conservatory), which can thus study the evolution and dynamics of the local fauna and flora populations in partnership with the University of Corsica.

3.6.2 Combating fuel poverty

3.6.2.1 Fuel poverty of individual customers

In 2020, ENGIE continued to support the Fonds de Solidarité pour le Logement (French solidarity housing fund), providing €6 million. In 2020, around 70,000 of ENGIE's retail customers benefited from these departmental council subsidies.

ENGIE has created a network of mediation partners with over 120 customer assistance centers throughout the country as of the end of 2020. Mediators at these associations, who are trained by ENGIE, talk to customers facing payment difficulties, help them to understand their bills, give them advice on their energy spending and can help them to set up structured payment plans or direct them towards social services to apply for assistance.

3.6.2.2 The environmental and social fund "ENGIE Rassembleurs d'Énergies"

The Group supports social enterprise and disadvantaged populations through the social and environmental fund, ENGIE Rassembleurs d'Énergies. ENGIE invests in social enterprises promoting shared and sustainable growth for all based on clean, affordable energy and on innovative business models linked to the Group's operating entities.

The fund is utilized for various themes which all combine financial performance and a strong social and environmental impact: individual or collective decentralized solar electrification in Latin America, sub-Saharan Africa and India; clean, secure cooking solutions, particularly biogas solutions in emerging economies; energy efficiency, mainly in social housing in Europe; and, lastly, the circular economy. The fund thus made all of its new investments in this sector in 2020.

At the end of 2020, the companies in the portfolio had enabled clean and affordable electrification for more than 5.5 million beneficiaries worldwide, in addition to the beneficiaries of companies subsequently acquired by the Group. The companies also created more than 20,000 direct

and indirect jobs, with a strong focus on the empowerment of women. 21,000 employees invested part of their savings in the ENGIE Rassembleurs d'Énergies solidarity mutual fund (FCPE), thus giving meaning to their savings with a direct connection to their occupation.

The 19 active companies in the portfolio operate on four continents (Europe, Africa, Asia and Latin America) and in around 20 countries. These companies cover 13 sustainable development goals through a wide range of technologies that respond to the issue of inclusive growth, in particular through access to sustainable energy and the reduction of fuel poverty. Through them, Rassembleurs d'Énergies seeks to both reach vulnerable populations and develop synergies with the Group entities. In 2020, the fund made a particular effort to support companies affected by the global health crisis, but nevertheless also finalized two divestments from companies that it had supported since 2013 and 2014. By the end of 2020, ENGIE Rassembleurs d'Énergies had invested €35 million of equity with a highly selective approach.

3.6.2.3 ENGIE Corporate Foundation

The ENGIE Foundation works on behalf of children, with access for all to education, sport and culture, for integration through employment and the fight against poverty, and for access for all to energy and essential goods, and the protection of biodiversity.

The role of the Foundation, with the commitment of the employees of the ENGIE group, is to give a chance to those who do not have one.

To respond to major challenges, the ENGIE Foundation also provides support for projects related to major causes or emergency missions.

Faced with the unprecedented health situation caused by the Covid-19 pandemic, which requires new forms of solidarity to be put in place, the Foundation took action throughout 2020 alongside its partners. After the first emergency measures to

provide hospitals and care homes with emergency equipment, followed by operations for vulnerable groups during the "summer of solidarity", the Foundation launched new initiatives at the end of the year for caregivers and the most vulnerable groups.

Key figures of the mobilization of the ENGIE Foundation:

- more than 200 medical establishments assisted in France, Belgium, Africa, and Brazil;
- 800 computers distributed to young people in France and Belgium to help them keep up with their education;
- more than 10,000 families helped with food aid in France.

In 2020, the ENGIE Foundation supported more than 120 projects which reached more than 480,000 beneficiaries.

The ENGIE Foundation renewed its mandate for five years in October 2020, with an annual endowment of €7,800,000.

3.6.2.4 Other solidarity actions in the context of the Covid-19 pandemic

The Group was fully mobilized to respond to the global health crisis, carrying out essential tasks to maintain the energy supply and services and to ensure the proper functioning of transport and buildings, especially critical buildings such as hospitals. Many solidarity actions have been implemented to help the medical community, its suppliers and its employees.

The ENGIE teams responsible for maintaining heating, ventilation and air conditioning facilities in hospitals worked more quickly to allow for the rapid provision of additional beds and resuscitation rooms for Covid-19 patients: for example, in Italy (the Lazzaro Spallanzani National Institute of

Infectious Diseases in Rome and the Luigi Sacco hospital in Milan) and in France (the Mondor hospital in Créteil). The ENGIE Foundation set aside a €500,000 fund for hospitals to help purchase respiratory and protective equipment.

The Group mobilized a budget of €250 million to accelerate the payment of its suppliers, SMEs and VSEs, and to help strengthen their cash flow at this difficult time.

Regarding its employees, the Group decided to accelerate the implementation of a minimum level of social protection for all of its employees worldwide (ENGIE Care).

3.6.3 Just transition

ENGIE is fully aware of the need to adapt its business model to changes in its environment and first and foremost to climate change without losing sight of its social responsibility.

Adapting the Group's business model cannot be done without taking into account the social impacts of the transition to a low-carbon economy.

This is the purpose of the just transition that ENGIE is promoting and which leads it to manage the restructuring of its activities by striving to make decisions that are as satisfactory from an environmental perspective as from a social perspective.

For example, following the 2017 closure of the Hazelwood coal-fired power plant in Australia, ENGIE paid out all employee entitlements, participated in government programs to assist in the redeployment of employees and contractors, and refocused its community partnerships to support the vocational success of young people.

ENGIE then launched a major rehabilitation project to prepare the site and the adjoining mine for future productive uses, a project that employs up to 400 workers.

This project is progressing with a clear and strong commitment to local consultation through community forums, stakeholder information sessions, media, advertisements, and public information kiosks. ENGIE has also developed a Conceptual Master Plan to describe the site's future opportunities. The Group maintains active discussions with the Victorian Government and other stakeholders on how

best to capitalise on the site's natural advantages, such as the availability of prime agricultural land, potential tourism opportunities or future clean energy production, given its proximity to the major power transmission lines supplying Melbourne and its surroundings.

Another example of just transition is the Group's participation in Chile's plan to phase out coal by 2040. Thus, in 2019, in agreement with the Chilean Ministry of Energy, ENGIE Energia Chile (EECL), a 52.8%-owned subsidiary of the Group in Chile, has committed to the closure of six coal units, totaling nearly 800 MW, or more than 50% of its thermal power plant fleet.

These closures concern units located in northern Chile in the Antofagasta region, namely four units in Tocopilla: two units (12 and 13 totaling 170 MW) closed in June 2019, two other units (14 and 15 totaling 270 MW) to be closed by the end of 2021, and two units in Mejillones (CTM1 and CTM2 totaling 334 MW) closed by 2024.

At the same time, EECL announced the development of 1,000 MW of renewable capacity, more than a third of which is currently secured with the launch of three renewable projects located in the same region of Antofagasta: a 150 MW wind farm in the city of Calama - advanced thanks to an agreement with IDB Invest, which developed an innovative financial instrument to monetize avoided GHG emissions, the Capricornio solar farm (100 MW peak) located 35 km from the city of Antofagasta and the Tamaya solar farm (120 MW peak) located in the city of Tocopilla.

EECL supported all the personnel affected by these closures, with two plans negotiated and implemented with the unions:

- a social plan to facilitate the retirement or transfer of employees to other positions in the company;
- a training and employability plan for the remaining employees to ensure their internal retraining at the future production sites mentioned above.

These plans have benefited from work carried out with the Antafagosta Labor Observatory through the Catholic University of the North and also from multiple collaborations with local decision-makers (Chamber of Commerce, Tourism, Union of Artisanal Fishermen, Municipality of Tocopilla).

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